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ABSTRACT

This booklet is a guide to the planning process for members of governing boards of institutions of higher education. Generally, it sees the role of the board in planning as ensuring that planning takes place and insisting that plans are used regularly for decision making. The publication discusses the following five specific tasks related to this general responsibility: (1) recognizing and promoting the usefulness of planning; (2) reviewing and approving a planning process for the institution; (3) holding the chief executive accountable for the planning function; (4) participating in certain steps in the planning process; and (5) using the institution's plans to make decisions, especially those that involve setting priorities and allocating resources. Also provided is a list of questions board members might consider in carrying out each of these areas of responsibility. (DB)

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BOARD BASICS

STRATEGIC DECISIONS

UNDERSTANDING THE PLANNING PROCESS

RAYMOND M. HAAS

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Understanding the Planning Process

The board's formal role in planning is similar to its formal role in other institutional functions it oversees. Governing boards set policy and act in an oversight capacity. As John W. Nason wrote in *The Nature of Trusteeship*, trustees insist that plans be made (this statement summarizes the oversight role of trustees) and that they are "comprehensive, thorough, and realistic." (This sums up trustees' policy role). Board members play little or no role in *implementing* policy. Of course, every board may have individuals with expertise related to planning who may be asked to give hands-on support for such activities as strategy formulation, process engineering, and external trends assessment (chiefly demographics and market competition).

Generally, however, members of governing boards should (1) ensure planning takes place and (2) insist plans are used regularly for decision making. In carrying out these basic responsibilities, boards should attend to the following:

- recognize and promote the usefulness of planning in higher education and support its use,
- review and approve a planning process for the institution,
- hold the chief executive accountable for the planning function,
- participate in certain steps in the planning process, and
- use the institution's plans to make decisions, especially those that involve setting priorities and allocating resources.

This publication examines each of these tasks and sets forth a list of questions board members might reflect on individually, consider among themselves in committee meetings or retreat sessions, or ask chief executives and senior administrators who are involved in the planning process.

Recognize and Promote the Usefulness of Planning. The planning process and the documentation it produces have many uses. First, plans help to mobilize the members and the organizational components of any highly decentralized organization—and institutions of higher education generally are decentralized. Second, plans bring focus to institutions—especially important for colleges and universities, which typically lack the focus of profit-driven corporations. Third, in some cases, a plan can give a college or university a competitive advantage in its quest for resources.

"If you don't know where you're going," according to an admonition familiar to planning officers, "any road will take you there." For governing boards, the underlying purpose of a plan is to give direction to the institution, thus preventing it from straying off course. Unless a governing board has a sense of where its institution is headed, individual trustees—operating in specific committees and as participants in a committee of the whole—cannot make sound judgments about the policies they set, decisions they approve, and challenges they face. Consequently, one of the principal uses of an institutional plan is to provide a set of criteria against which all decisions can and should be made.

While plans consist of fairly universal components, the style, approach, and depth of the discussion vary according to the culture and setting of each institution. In general, however, a typical table of contents includes these items:

- mission and role of the institution in society, and perhaps a statement of the institution's vision as it might unfold during the planning period;
- a situation analysis (current and projected) of the institution's *strengths and weaknesses* (usually internal) and *opportunities and threats* (usually external)—this typically is identified as a SWOT analysis, named for its acronym;
- goals, objectives, and strategies of the institution for the planning period;
- specific actions, with an explanation of how each fulfills the institution's mission, goals, and strategies;

- a schedule for accomplishing each action, including a notation of each person or office responsible and the resources required to complete the action;
- a procedure and schedule for evaluating the plan and its implementation, including an evaluation of the plan's usefulness as a guide for setting priorities and allocating resources;
- a schedule for the next iteration of the planning process, including a time frame for reviewing the plan's basic ingredients (mission, goals, and strategies) and a description of the process to solicit, gather, and evaluate future proposals for specific actions.

TRUSTEES SHOULD FOCUS ON THE CONTENTS OF A PLAN AND WHETHER IT IS A USEFUL GUIDE TO DECISION MAKERS AS THEY SET PRIORITIES AND ALLOCATE RESOURCES.

Board members should be mindful that the terms used in planning are imprecise, and they should resist the temptation to debate whether a particular statement is a "goal" or an "objective," for example. Of all the terms in the planning lexicon, the words "strategy" and "strategic" are overused (and often wrongly used) to such a degree that they nearly have lost their value. Rather than quibble about strict definitions, trustees should focus on the contents of a plan and whether it is a useful guide to decision makers as they set priorities and allocate resources.

Board members may be surprised to discover that planning has a pendulum-like history in many institutions. Formal, ongoing planning processes are not as common among colleges and universities as they are in government and the corporate world. In addition, where campus planning processes *do* exist, their participants, pace, focus, deliverables, and use often are different from planning processes developed in settings more familiar to trustees. Because any planning process should be shaped by its setting, board members should be aware of the idiosyncratic qualities of higher education that may affect institutional planning.

THE PROCESS MUST PRODUCE A PLAN IN A TIMELY MANNER SO BOARD MEMBERS ARE ABLE TO USE IT TO MAKE THE DECISIONS THE PLAN IS DESIGNED TO ADDRESS.

The academic environment has a well-educated, creative work force and a high degree of decentralization. These related forces affect the design of planning processes, policies, and practices. For example, the presence of a well-educated work force generally results in a highly participatory planning process. The principle of "empowerment" reaches its zenith in higher education, where the conceptual—if not the practical—equivalent of a corporate strategic business unit may be an individual faculty member. A highly creative atmosphere begets the reality that there may be little rhythm in the activities of an academic enterprise. As a result, for planning to be successful in higher education, it must be highly participative, inclusive, and capable of producing and reinforcing results in a sometimes arrhythmic environment.

For a variety of reasons, colleges and universities have a comparatively weak tradition of codifying their administrative procedures. Additionally, they sometimes are subject to frequent turnover of leaders who happen to be relatively untrained in the art and practice of administration. Consequently, the *procedures* used in planning are vulnerable to criticism far more than the *content* of plans. As a result, institutional planning officers often go to great lengths to ensure everyone has a perceived opportunity to be involved. Plans develop at a slower pace, often to the frustration of trustees who are accustomed to more rapid, less inclusive environments.

To say "this is the way it is" does not mean "it" cannot be different. However, a reality in higher education is that leaders of such ancillary activities as administration (planning in particular) must respect and support the primary activities of teaching, research, and service. As a result, the plans produced by higher education institutions are less likely to consist of a series of predetermined steps and more likely to be a set of criteria (mission, goals, and strategies) by which as yet unknown ideas might be judged when presented in the future.

Questions to Promote Sound Practice

- When should the governing board be briefed on the planning process for the institution?
- Who should conduct the briefing, and what should it include?
- How should such briefings differ in detail and scope for various types of plans, ranging from multiyear strategic plans to annual operating plans for specific administrative functions and departments?

Review and Approve a Planning Process. The governing board is responsible for resolving whether the institution will engage in regular planning, reviewing a plan, and eventually sanctioning a plan for the institution. As a rule, board members should not become involved in developing the processes by which planning is conducted. However, the governing board may become appropriately involved in reviewing the institution's planning process and, if requested, consider its approval. In some instances, board members who have expertise in planning processes have assisted in the design of a plan.

In reviewing an institution's planning process, the governing board has a single objective: The process must produce a plan in a timely manner so board members are able to use it to make the decisions the plan is designed to address. A typical problem in higher education planning is that the schedule for completing the plan and implementing it often lacks coordination. A planning process may be launched at the start of an academic year with no hope of completing it in time to influence resource-allocation decisions for the following academic year—decisions the governing board often must make early in the academic year in which the process began.

The board should examine the planning process to determine the degree to which the scope of the plan addresses factors most pertinent to the institution's future. Plans gain focus and relevancy if they are pegged to a future date when the institution might gain some flexibility in its resource base. For instance, institutional leaders might create a plan that has as its focal point the conclusion of a capital campaign, debt repayment, the completion of restructuring, or the point at which a sufficient

number of faculty and staff retire to permit more flexibility in redistributing positions. However, many institutions routinely design a plan to cover a five-year or ten-year period. It is unlikely that plans produced for such time periods will be precisely relevant to the future of an institution.

Questions to Promote Sound Practice

- When will the planning process begin and end? Who should be involved?
- What institutional resources (chiefly people and funds) will be assigned to the process?
- How will the plan inform the board's decisions in the coming year? Which issues or questions before the board will the plan most affect?
- Will the plan be completed on a schedule that permits the chief executive and the board to use it in making the decisions it was intended to influence?

Hold the President Accountable for Planning. As with any administrative function, it is important to know who has been assigned to do what. Unfortunately, the labels we give to offices and committees can muddy the waters of accountability. For instance, the responsibility for planning is confused when both the institution and the board have planning committees. A second helping of confusion is ladled out when the institution has both a planning committee and a *master* planning committee. The following guidelines can help clarify ill-defined roles.

The President. The president is responsible for the planning function for the entire institution. He or she may ask a committee for advice and counsel as a plan is being developed. Members of advisory committees also can help the president gain support from members of the campus community for both the planning process and the plan itself. Unfortunately, when presidents assign roles and responsibilities to a planning advisory committee, they sometimes fail to solicit support from the committee for both the plan and the planning process.

The Planning Officer. A planning officer is responsible for designing and scheduling the planning process, making sure necessary information is available in a timely manner, and managing the steps in the planning process to ensure they are carried out on time. The planning officer is, in effect, an expediter who is responsible for the day-to-day operation of the planning process.

The Board. The board's committee structure is important. If the board has a planning committee, one could argue that its proper jurisdiction is to oversee all components of the board's responsibility for planning. (See the list on page 1.) Some boards, such as statewide coordinating boards, may request a planning committee to consider the need for a plan that supports the board's operations, including its mission, goals, and strategies.

THE BOARD SHOULD EXAMINE THE PLANNING PROCESS TO DETERMINE THE DEGREE TO WHICH THE SCOPE OF THE PLAN ADDRESSES FACTORS MOST PERTINENT TO THE INSTITUTION'S FUTURE.

Questions to Promote Sound Practice

- Does a brief position description exist for the institution's senior planning officer?
- Are planning committees guided by written charges that describe their responsibilities?
- What are the board's expectations of the president for planning? Are those expectations written in the president's position description or another formal document, and are they assessed periodically?

THE INSTITUTION'S CULTURE, HISTORY, NEEDS, AND AVAILABLE TALENT ON THE BOARD SHOULD DETERMINE THE EXTENT OF TRUSTEES' INVOLVEMENT IN CERTAIN STEPS OF THE PLANNING PROCESS.

PARTICIPATE IN CERTAIN STEPS OF THE PROCESS. There is a continuing dialogue (some would say tension) in many institutions about the tasks board members actually should perform. Few institutional leaders would dispute the active, hands-on role board members should take in fund-raising or setting investment strategy. But the appropriateness of trustees' direct involvement in other areas is more ambiguous and raises questions. Here are a few:

- Should board members serve on an institutional advisory committee for planning?
- Would the opinions voiced by the board members who serve on a planning committee inhibit additional discussion?
- Would board members who serve on a planning committee and the president find themselves in awkward situations when the president makes recommendations to the whole board?
- How may board members appropriately contribute to the planning process without usurping the president's authority and subsuming his or her responsibilities?

Trustees—especially those from government or the private sector—may be particularly knowledgeable about "process engineering" (the design of the process that results in a planning document) and therefore can assist a planning committee and planning office in that regard. Further, trustees might contribute to the plan's situation analysis by participating in a study of their institutions' markets, competitors (especially for tuition, donations, and governmental appropriations), and relationships with stakeholders.

In addition, some governing board members may have experience in strategy development, policy analysis, and other tasks related to planning. To benefit from their expertise, institutional leaders might appoint them to serve on campus groups charged with making recommendations about mission, goals, and strategies.

Most important, the institution's culture, history, needs, and available talent on the board should determine the extent of trustees' involvement in certain steps of the planning process. No single right or best way exists to involve trustees directly—except that their participation should not stifle debate, usurp faculty prerogatives, or relieve the president of his or her responsibility to deliver a proposed plan to the board.

Questions to Promote Sound Practice

- How can board leaders determine an individual trustee's expertise in planning or tasks related to planning?
- What is the candid thinking of the president regarding the participation of board members in institutional planning?
- In which components of planning should board members never be actively involved?

Use Plans in Making Decisions. To carry out its planning role fully and successfully, a governing board must employ the institution's plan in its decision making. It can do so simply by asking a question of every proposal brought to the board for review: How does this proposal support or advance the approved plan for the institution? Chances are, if the answer is vague, so are the proposal and the plan. However, even vague answers can be beneficial if they prompt conversations about the importance of developing proposals that support an approved plan. Future iterations of the plan are sure to improve, as are future proposals.

The governing board also can send a clear message of the plan's centrality and importance if it regularly describes its own decisions and actions in terms of how well they support the plan. Conversely, when governing boards habitually make decisions about resource allocation and priority setting without using the plan, they validate ad-hoc decision making.

Questions to Promote Sound Practice

- Does the board take advantage of all opportunities to underscore its commitment to planning processes?
- Does every proposal brought before the board clearly describe how it supports or advances the institution's plan? If not, does the board insist that such proposals be revised?
- Does the board review and approve the institution's plan before it reviews and approves the institution's budget?
- How can board leaders ensure that board actions support the institution's plan?

Conclusion. Dabney G. Park, Jr., a consultant and author of the earlier version of this publication, concluded with the following observation, which remains as true today as it was nearly ten years ago: "Planning is a dialogue about future directions.... The governing board must ensure that this dialogue takes place, the proper people participate, useful information is provided, and the directions that emerge from the process embody the very best vision for the institution's future.... Nothing short of this will fulfill the board's central responsibility in the planning effort."

Resources

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This publication is part of **Board Basics**, an AGB series devoted to strengthening the effectiveness of governing boards and trustees. **Board Basics** comprises several topic clusters—The Fundamentals, Financial Matters, Fund-Raising, Academic Affairs, Leadership, Strategic Decisions, and Effective Committees—each of which contains several booklets. Several assumptions underlie the series:

- Academic trusteeship grows increasingly ambiguous, and trustees need concise, accessible, and focused information to help them carry out their complex fiduciary and stewardship responsibilities.
- Basic principles of trusteeship remain constant across higher education, regardless of institutional type, size, and mission. The series highlights these general principles to provide trustees with a core of knowledge they can apply to their individual institutions.
- The series addresses the distinguishing characteristics of academic trusteeship, especially as it differs in scope, substance, and focus from corporate directorships and other board service.

AGB and the authors welcome comments and suggestions to improve this publication and others in the series. Call AGB publications at 800/356-6317 or visit our Web site at http://www.agb.org for more information.

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